



Flows

Water Infrastructure Finance Authority of Arizona Quarterly Newsletter

WIFA Chairman Discusses
Funding Cut (see Page 3)

Cash

Volume 6, Number 1 January 2005

Janet Napolitano
Governor

ONE YEAR AND COUNTING

WIFA HELPS WATER SYSTEMS MEET JANUARY 2006 FEDERAL STANDARD FOR ARSENIC IN DRINKING WATER

January 23, 2006 is the fast-approaching deadline for the federal standard for arsenic in drinking water. The new standard requires Arizona's 1,700 public water systems to lower the concentration of arsenic in their drinking water from 50 parts per billion to 10 ppb.

While many systems are in compliance or working to reach compliance, some of the state's 287 small water systems and those in rural areas face a challenge because they have fewer customers to help pay for the compliance costs and because they rely

primarily on groundwater as their drinking water sources.

To help solve this challenge, WIFA has been actively involved in initiatives to ease and increase arsenic compliance for water systems.

WIFA's financial assistance and technical assistance grant programs fund planning, pre-design, design and construction of water systems that include arsenic remediation

(Continued on Page 2)

BISBEE BREAKS GROUND ON WATER TREATMENT FACILITY

In November, city council members and other Cochise county dignitaries unearthed the first mounds of dirt at the future water treatment facility located off of Purdy Lane.

Months earlier, 95 percent of Bisbee residents showed support for the project by voting for it to proceed in a local election.

"On behalf of ADEQ and WIFA, I want to thank Mayor Beauchamp and all of those involved in this project," said WIFA Chairman Steve Owens. "This was a tremendous cooperative effort."

WIFA has granted Bisbee over \$92,500 in technical assistance grants and about \$11,200 in low-interest loans.

One of the shovels used in the groundbreaking will be mounted in the City Council chambers.

"This project is one the city needs as it continues to grow and prosper," said WIFA Executive Director Jay Spector.

WIFA's grants and loans translate into money for infrastructure building as well as jobs for folks in the surrounding community.

Bisbee is unique because out of state project employees have moved to Bisbee for the



Bisbee Mayor Dan Beauchamp and city officials break ground on water treatment facility funded partially through WIFA's low-interest loan.

(Continued on Page 3)

WIFA *Cash Flows*
Water Infrastructure
Finance Authority
of Arizona

1110 W. Washington St.,
Suite 290
Phoenix, AZ 85007
Toll free: (877) 298-0425
and (602) 364-1314

www.azwifa.gov

"Arizona's water and
wastewater funding
source"

One Year and Counting continued from Page 1

projects.

One of these includes a grant to the Arsenic Remediation Coalition. The coalition's plan to help small water systems includes: creating a clearing house of arsenic treatment technologies and vendors by using the results of pilot projects and other technical resources, mentoring and sharing the expertise and experiences of arsenic remediation among public water systems, and assisting in seeking loans, leasing arrangements and rate approvals for arsenic compliance.

Our financial assistance loans allow for communities and water systems to receive significant savings due to lower interest rates and shared/reduced closing costs. WIFA is able to lower a borrower's interest costs to between 70 and one hundred percent of WIFA's tax-exempt cost of borrowing. These advantages would normally not be available to these communities and water systems through regular borrowing methods.

At WIFA, we are actively engaging in dialogue with communities and water systems most in need of meeting the arsenic standard. WIFA has been a part of workshops with the Arizona Corporation Commission and the Arizona Department of Environmental Quality (ADEQ) in communities throughout the state to inform smaller water systems of the new arsenic standard. By working together, we are able to educate these systems and their communities while also getting them the help they need immediately.

Additionally, WIFA partnered with ADEQ in funding the creation of the Arsenic Master Plan.

WIFA also disseminates funding information to arsenic-affected systems through one-on-one meetings, newsletters, our Web site (www.azwifa.gov) and other publications.

(Continued on Page 3)



In an effort to meet federal arsenic standards, the town of Carefree is constructing a reservoir to aid in blending water from wells containing various levels of arsenic.



Another method for treating water containing high arsenic levels is the use of a treatment plant. Above, the vessels at St. John's radiation treatment plant resemble vessels used to treat arsenic.

The Quarter Ahead

Date

Event

January 1	New Year's Day Observed
January 10	Forty-seventh Legislature Convenes
January 17	Martin Luther King Jr., Day Observed
February 2	WIFA Committee Meetings
February 14	Arizona Statehood Day Observed
February 16	WIFA Board of Directors Meeting
April 6	WIFA Committee Meetings
April 20	WIFA Board of Directors Meeting

WIFA CHAIRMAN DECRIES FUNDING CUT IN WATER INFRASTRUCTURE FUNDS FOR ARIZONA

Recently, the U.S. Congress sharply reduced the federal funding for clean water infrastructure projects in Arizona. As Arizona's revolving fund authority, WIFA provides low-interest loans to communities for water infrastructure projects. The congressional action will result in a cut of more than 23 percent in the funding that WIFA receives from the federal government to support its loan program.

The federal omnibus appropriations bill for 2005 recently passed by Congress significantly reduces the capitalization grants provided to states under the Clean Water State Revolving Fund (CWSRF). For the past several years, Congress has appropriated \$1.35 billion for the CWSRF programs nationwide. Under that funding level, Arizona had received a capitalization grant totaling around \$9.3 million each year.

For the federal fiscal year (FY) 2005, however, Congress slashed several hundred million dollars from the funding for the CWSRF, reducing it to \$1.09 billion. This cut means that Arizona will receive funding of just \$7.4 million from the CWSRF, a reduction of more than 23 percent or \$1.75 million for FY 2005.

"This drastic and short-sighted funding cut by Congress will hinder WIFA's ability to finance much-needed water infrastructure projects in Arizona," Owens said. "With Arizona grappling with so many serious water infrastructure issues, this couldn't have come at a worse time."

"Arizona is the second-fastest growing state in the country, and there already is tremendous stress on our infrastructure," added WIFA Executive Director Jay Spector.

WIFA conservatively estimates that Arizona's federal capitalization grant should be around \$40 million per year based on the state's infrastructure needs and rapid population growth.

The U.S. Environmental Protection Agency's Clean Water Needs Survey, which is conducted every four

years in all 50 states, estimated that Arizona will have over \$6.3 billion in clean water needs over the next 20 years, ranking 10th in the country.

"Arizona already was being short-changed by Congress," Owens said. "Now we will have even less money to help Arizona communities address their water infrastructure needs."

WIFA is working with the Arizona Congressional delegation to increase Arizona's funds. WIFA encourages you to contact your Congressional representative and express your concerns over the funding cut. [CF](#)

"With Arizona grappling with so many serious water infrastructure issues, this couldn't have come at a worse time."

**WIFA Chairman
Steve Owens**

Quarterly Loans Closed

Recent loan closings include:

CWSRF Loans

Globe - \$5 million

Lake Havasu City - \$55.14 million

Tucson - \$2.99 million

Technical Assistance Grants

Recent TA grants include:

Pinal County - \$22,918

Florence - \$20,000

Gila Resources - \$35,000

Ponderosa Pines

DWID - \$12,000

SoHi DWD - \$18,000

One Year and Counting continued from Page 2

The key to achieving compliance with the new federal arsenic standard by Jan. 23, 2006 is cooperation and coordination of all the regulating agencies, associations and water systems. Water systems have just one year to take the necessary steps to be in compliance, and the time is now to make your system improvements. [CF](#)

Bisbee Breaks Ground on Water Treatment Facility continued from Page 1

next six to seven months bringing business to the local economy. [CF](#)

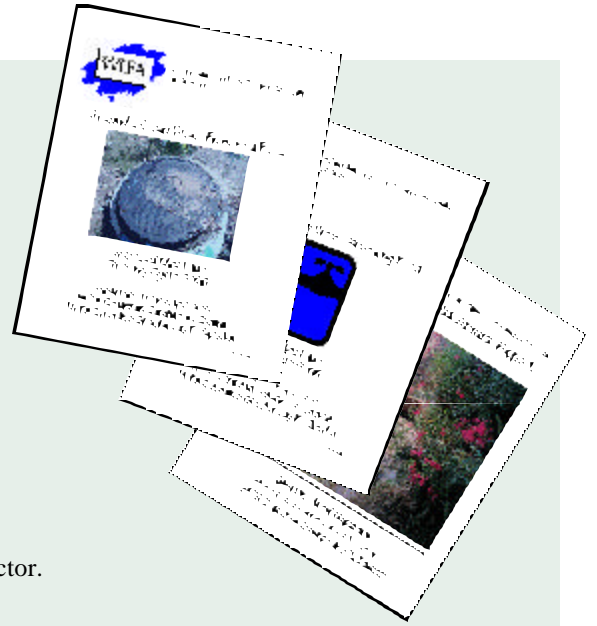
WIFA Update

Download 2005 Intended Use Plans

WIFA's Clean Water Revolving Fund and Drinking Water Revolving Fund intended use plans for 2005 are available on-line at www.azwifa.gov.

Download 2004 Annual Report

WIFA's 2004 Annual Report is available on-line at www.azwifa.gov.



New Staff

Tiffany Troidl joins WIFA as Communications Director.

She brings several years of community outreach and publication design experience to WIFA. Tiffany earned her bachelor's degree in political science from Arizona State University (ASU) in 2003 and is currently pursuing a Master of Public Administration at ASU.

ABOUT THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA

The Water Infrastructure Finance Authority of Arizona maintains and improves water quality in Arizona by providing communities and private water systems with access to low-interest financial assistance and technical assistance needed for basic water infrastructure. WIFA's funds are capitalized by contributions from the US Congress and the state of Arizona. As a leader in water infrastructure finance, WIFA has become a premier financial institution both in Arizona and nationally. Visit WIFA's Web site at www.azwifa.gov.

Photos below: In October, a WIFA engineer conducted a site visit of a wastewater project in Prescott valley's Raven Ridge Community Facilities District. Site visits are required at various stages of projects financed by WIFA.

